

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO.3459 OF 2004

IN
SUIT NO.3419 OF 2004

Schering Corporation & Anr. ... Plaintiffs

V/s.

M/s.United Biotech (P) Ltd & Anr. ... Defendants

Mr.H.Toor i/b Crawford Bayley & Co. for Plaintiffs
Mr.I.M. Chagla with Mr.H.W. Kane, Ashutosh Kane &
Mr.R.M. Kadam for Defendant Nos.1 and 2

CORAM: SMT.NISHITA MHATRE, J.

JUDGMENT RESERVED ON: JUNE 8, 2006
JUDGMENT PRONOUNCED ON: JULY 14, 2006

JUDGMENT:

. The present Motion has been taken out by the Plaintiffs for several reliefs. However, today the plaintiffs are restricting their claims to prayer (H) in the Motion which reads thus:

"(h) that pending the hearing and final disposal of the Suit, the Defendants by themselves, their servants and agents, be restrained by an order and injunction of this Hon'ble Court from in any manner using in relation to pharmaceutical products or any other products the mark NETMICIN or any other deceptively similar mark so as to pass-off or enable others to pass-off the Defendants goods as and for the goods of the Plaintiffs."

2. The suit has been filed by the Plaintiffs for an injunction restraining the defendants from infringing the plaintiffs' registered trade mark "NETROMYCIN". The Plaintiffs have also sought an injunction against the

defendants from infringing the plaintiffs' copyright in the original literary work of the package insert of the medicinal preparation NETROMYCIN. An injunction is also sought restraining the defendants from passing off their product, NETMICIN, as those of the plaintiffs.

3. The plaintiffs claim that they have been manufacturing, selling and distributing the pharmaceutical preparation NETROMYCIN over a number of years. The medicinal product contains the drug "Netilmicin Sulphate" as its base. These products are in the injectible form and sold under the brand name "NETROMYCIN". This mark has been registered in Class V of the 4th Schedule to the Trade Marks Rules. The Plaintiffs contend that they have sales of several crores of rupees each year and have thus acquired goodwill and reputation for the medicinal product and the brand name "NETROMYCIN". The Plaintiffs became aware of the Defendants selling their product "NETMICIN" and issued a notice on August 2, 2004 calling upon the defendants to cease and desist from manufacturing their products under the name "NETMICIN". As the Defendants did not pay heed to the demand of the plaintiffs, the plaintiffs have filed the present suit.

4. Undisputedly, the mark "NETMICIN" which belongs to the Defendants is also a registered trade mark. Therefore, according to the learned Counsel appearing for the Plaintiffs, the prayers regarding infringement

of copyright need not be pressed at this juncture. He is therefore, restricting the claim of the plaintiffs to prayer clause (h) of the Motion as aforesaid.

5. The learned Counsel appearing for the Plaintiffs contends that the Defendants by using the mark "NETMICIN" are passing off their goods as those of the plaintiffs. The learned Counsel submits that the two marks are deceptively similar - phonetically, visually and structurally. He submits that the plaintiffs have been marketing their product "NETROMYCIN" from the year 1996 as borne out by the sales figure annexed at Exhibit C to the plaint. The product of the defendants "NETMICIN" has been introduced in the market much later and therefore the plaintiffs are entitled to an injunction against the defendants from using a deceptively similar mark to that of the plaintiffs' mark and passing off their own products as those of the plaintiffs. The learned Counsel urges that the test to determine whether there is a deceptive similarity in the case of medicinal or pharmaceutical preparations is far more rigorous than one to be used in case of other products.

6. He places reliance on the case of *Cadila Health Care Ltd. v/s. Cadila Pharmaceuticals Ltd.*, **2001 PTC 541 (SC)** where tests to determine the question of deceptive similarity in an action for passing off have been laid down by the Apex Court. Reliance is also

placed on the Division Bench judgment of this Court in the case of *Medley Laboratories (P) Ltd. & Ors. v/s. Alkem Laboratories Ltd.*, **2002 (25) PTC 592 (Bom)(DB)**. It is urged by the learned Counsel appearing for the Plaintiffs that the Division Bench of this Court in *Sun Pharmaceutical Industries Ltd. v/s. Wyeth Holdings Corporation & Anr.*, **2005 (30) PTC 14 (Bom)(DB)**, after considering the aforesaid two judgments has held that when the composition of the two products is common and there is a phonetic similarity between the two marks, the possibility of deception and confusion in the minds of the public is greater. The judgment of the Delhi High Court in the case of *N.R. Dongre vs. Whirlpool Corp*, **1996 PTC (16)** is relied on to submit that merely because the defendants' mark is now registered, it does not provide them a defence to the proceedings in an action for passing off. Under section 27(2) of the Trade Marks Act, a prior user of the trade mark can maintain an action for passing off against the subsequent user of an identical trade mark whether or not the subsequent user owns a registered trade mark. According to the learned Counsel for the Plaintiffs, the lack of bonafides on the part of the defendants is writ large since the defendants have not obtained any official search report as that would have indicated that the plaintiffs mark was registered earlier in point of time.

7. Per contra, the learned Counsel for the

defendants urges that the Motion be dismissed as the plaintiffs have approached the Court belatedly. It is submitted that "NETMICIN" has been coined by telescoping the letters in the drug "Netilmicin Sulphate". The submission is that although "NETMICIN", the defendants' mark and the "NETROMYCIN", the plaintiffs mark, may have been derived from the drug which forms the basis of both the medications i.e., "Netilmicin Sulphate", there is no phonetic similarity between the two marks. It is submitted that the plaintiffs' mark contains four syllables; the second syllable "TRO" being emphasised. It is submitted that the drug used in both the preparations, "Netilmicin Sulphate", is the same and the dosage is also the same. The learned Counsel submits that there is no similarity nor a deceptive similarity between the marks "NETROMYCIN" and "NETMICIN". It is further pointed out that the Defendants medicinal preparations in the form of injections are not sold over the counter but are marketed and sold directly to the hospitals in bulk quantities. Therefore, the possibility or the probability of confusion in the minds of the lay public would not arise. Moreover, there would be no adverse effect if at all the defendants' product is used mistakenly for treatment. The learned Counsel submits that there is no distinctiveness in the plaintiffs' mark as a search report from the Registrar of Trade Marks indicates that there are several traders and manufacturers of medicinal and pharmaceutical preparations using the registered trade marks containing

the words "MYCIN", "MICIN", or "CIN" which are being extensively and continuously used. The learned Counsel points out that the mere fact that the sales figures have been annexed to the plaint would not give a better right to the plaintiffs as there is no possibility of deception or confusion occurring in the minds of the public using either of the medicinal preparations.

8. Reliance is placed on the judgment in the case of *Kaviraj Pandit Durga Dutta Sharma v/s. Navaratna Pharmaceutical Laboratories*, AIR 1965 SC 980 to point out the difference in the tests applicable in the case of action for infringement and an action for passing off. The Division Bench judgment of this Court in the case of *Bal Pharma Limited v/s. Wockhardt Limited & Anr.* (Appeal No.498 of 2002 in Notice of Motion No.725 of 2002 in Suit No.1305 of 2002 is pointed out to emphasise that there is no possibility of confusion in the minds of the public and the composition of the two medicinal preparations being a single ingredient the question of there being any adverse effect on the health would not arise. The order in *Medley Pharmaceuticals Ltd. v/s. Khandelwal Laboratories Ltd.* (Notice of Motion No.2808 of 2002 in Suit No.3323 of 2002) of a learned Single Judge of this Court considering an action for passing off is also relied on. This order has been confirmed by the Division Bench in Appeal NO.1118 of 2005 in Notice of Motion No.2808 of 2002 in Suit No.3323 of 2002. The distinctiveness of the Plaintiffs' product

in Medley Pharmaceuticals could not be established as found by the learned Single Judge, which finding was confirmed by the Division Bench. Besides that it was found that there was no phonetic similarity between the two products. The learned Counsel relies on the judgment of the Delhi High Court in the case of *S.B.L. Limited v/s. Himalaya Drug Co.*, **AIR 1998 DELHI 126** and the Supreme Court in the case of *J.R. Kapoor v/s. Micronix India*, **1994 Supp. (3) SCC 215**.

9. In the case of *Cadila Health Care Ltd. (supra)*, certain tests have been laid down for testing the question of deceptive similarity in an action for passing off on the basis of an unregistered trade mark. These are as follows:

35. ...

(a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.

(b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.

(c) The nature of the goods in respect of which they are used as trade marks.

(d) The similarity in the nature, character and performance of the goods of the rival traders.

(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

(f) The mode of purchasing the goods or placing orders for the goods.

(g) Any other surrounding circumstances which

may be relevant in the extent of dissimilarity between the competing marks.

10. Having given my anxious consideration to the submissions made at the bar and the judgments relied on by both the parties, I am of the view that the Plaintiffs have not been able to establish the distinctiveness of their mark "NETROMYCIN" and therefore, the action of passing off has not been proved, prima facie. The words "NETROMYCIN" and "NETMICIN" are not phonetically similar. For phonetic similarity, the number of syllables would obviously have to be the same in both the words. The number of syllables in the two marks is different in the present case. The second syllable in the word "NETROMYCIN" would indicate that the two words are phonetically distinct. Visually also, the two words are different. The packaging used for the two products although of the same colours, the Defendants' product "NETMICIN - 200" is printed in white with bold and capital lettering on a red strip. The mark "NETROMYCIN", the plaintiffs' product on the other hand, is written in small letters in black. In my view, there is no visual similarity between the two packages, the colour scheme also being dissimilar. Structurally also, the two words are different. Therefore the first two of the aforesaid tests have not been established by the Plaintiffs.

11. The next test which is to be considered is the nature of the goods in respect of which the trade marks

are used. Undisputedly, these are medicinal products and injection ampules. The chemical "Netilmicin Sulphate" which is the basic ingredient of the drug "NETROMYCIN" & "NETMICIN" is used in the treatment of infections caused by susceptible strains of certain micro organisms. The Defendants have pointed out that their product is purchased in bulk by hospitals and is not sold over the counter whereas the plaintiffs' product is sold over the counter. Therefore, the possibility of any deception in the minds of the customers buying the medicinal preparations over the counter can easily be ruled out. When purchases are made in bulk for hospitals it would be obvious that persons who have requisite knowledge and technical expertise would be dealing with the drug. Therefore, the possibility of there being any confusion in the minds of the hospitals' staff administering the injections also can be ruled out. In my view, therefore, the aforesaid tests laid down by the Supreme Court in the case of an action for passing off are not established.

12. The possibility of deception and confusion in the minds of the public cannot occur since the defendants' product is not marketed over the counter and is not, therefore, accessible to the lay public.

13. In paragraph 28 of the judgment in *Kaviraj Pandit Durga Dutta Sharma (supra)*, the Supreme Court

observed thus:

28. While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of "the exclusive right to the use of the trade mark in relation to those goods" (Vide S.21 of the Act). The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is in imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

14. In my view, the essential features of the plaintiffs' mark are far different from the defendants.

Besides that, the chemical used being common there would be no adverse effect on the consumer. Therefore, in my view, the plaintiffs have failed to establish the distinctiveness of their trade mark or the packaging used by them. As aforesaid there are many medicinal and pharmaceutical products being manufactured and traded in the market ending with the letters MYCIN, MICIN and CIN.

15. Notice of Motion dismissed.